MEMORANDUM FOR: All CPD Division Directors Field Environmental Officers

FROM: Richard H. Broun, Director, Office of Community Viability, DVP

SUBJECT: Applicability of 24 CFR Part 58 to grants for Supportive Housing, Shelter Plus Care, and Housing Opportunities for Persons with AIDS

This is to advise you that effective immediately grants for Supportive Housing, Shelter Plus Care, and Housing Opportunities for Persons with AIDS are now subject to 24 CFR part 58: "Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities." References in program regulations to 24 CFR part 50: "Protection and Enhancement of Environmental Quality" are no longer effective and will be removed in the next rulemaking.

Administrative provisions (Sections 208 and 203(c)) in the FY 2001 appropriations act included language enabling these programs to utilize fully the environmental assumption authority contained in Section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994. Section 305(c) allows not only recipients that are States or units of general local government (uglg) to assume HUD environmental responsibilities, but also allows non-recipient States and uglgs to be responsible entities and assume HUD environmental responsibilities for applicants who are private non-profit organizations or governmental entities with special or limited purpose powers (i.e., housing authorities, etc.). This authorization is permanent for each of these programs.

Under the Supportive Housing and Shelter Plus Care programs, recipients that are States or units of general local government already had authority and responsibility for completing Part 58 environmental reviews. The new statutory provision means that units of general local government will also be called upon to perform Part 58 environmental reviews for grants to other types of recipients, i.e., private non-profit organizations and housing authorities.

Under HOPWA, the FY 1999 HUD appropriations act applied Section 305(c)(i.e., authorized Part 58 environmental reviews) to FY 1999 and prior years funds, but that provision was not permanent and was not renewed in the FY 2000 appropriations. Under the new permanent provision, environmental reviews that have not yet been undertaken for activities under FY 2000 formula grants as well as future grants should be undertaken by responsible entities under Part 58.

Prior year grantees in the HOPWA and homeless programs with competitively awarded grants are not contractually obligated to follow the new review procedure under Part 58, but may agree to do so. Part 50 applies in cases where the agreement is not reached.

The latest operating instructions for these programs provide processing details (see Shelter Plus Care, 12/22/2000; Supportive Housing Program, 01/05/2001; Housing Opportunities for Persons with AIDS, 10/27/2000 for competitive grants; 12/28/2000 for formula grants).

If you have any questions or need further assistance, please e-mail to Walter Prybyla, Deputy Director for Policy, Environmental Review Division.